

[Handwritten signature]

1/11

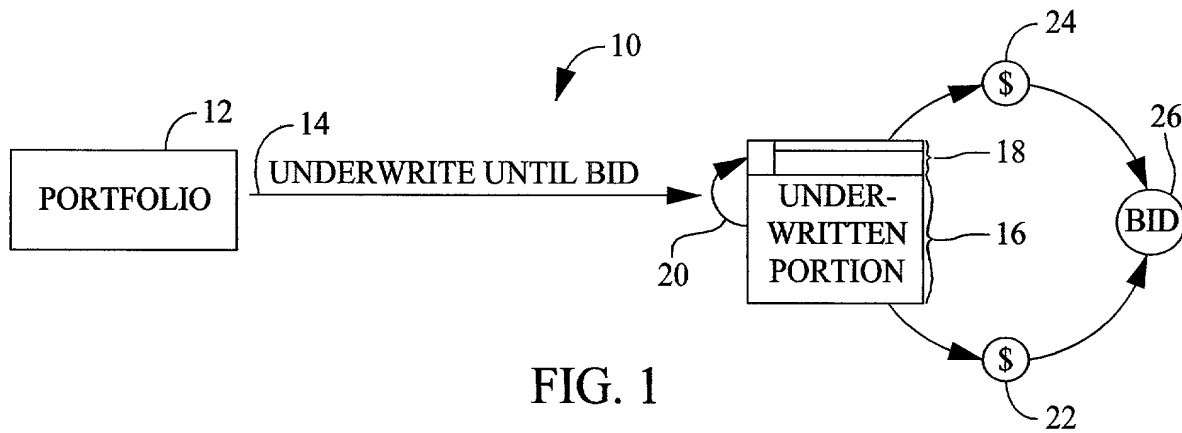


FIG. 1
PRIOR ART

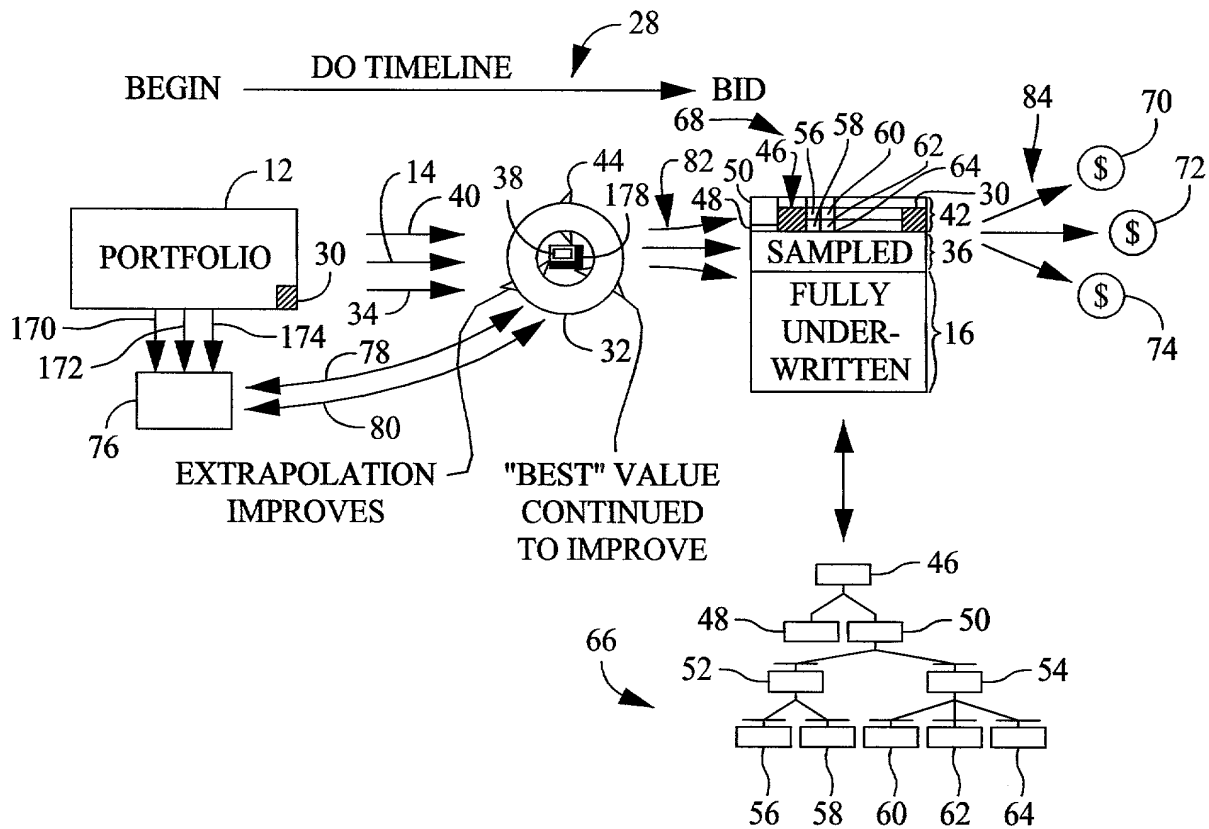
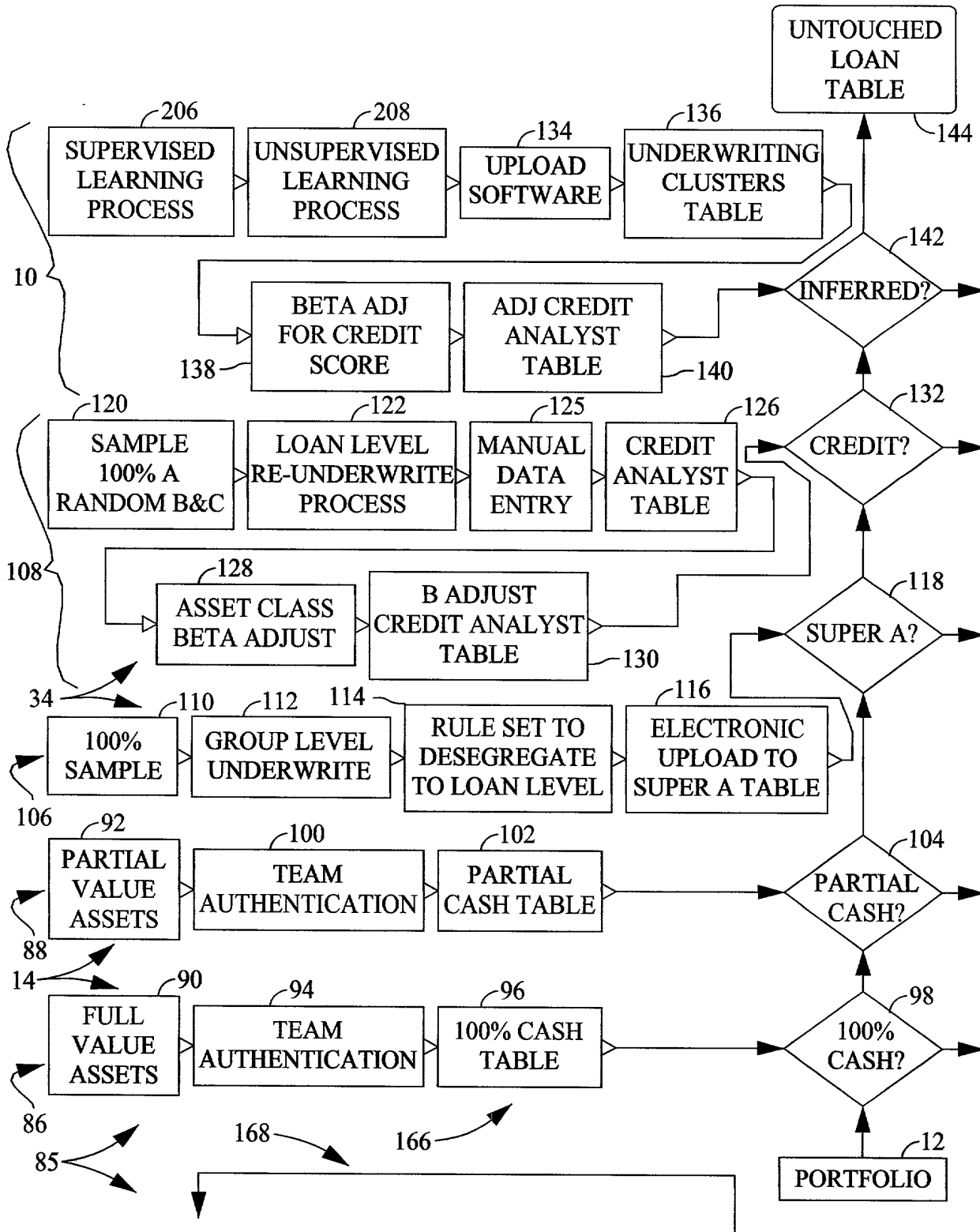


FIG. 2

2012220-86218950

2/11



TO FIG. 4

FIG. 3

FROM FIG. 3

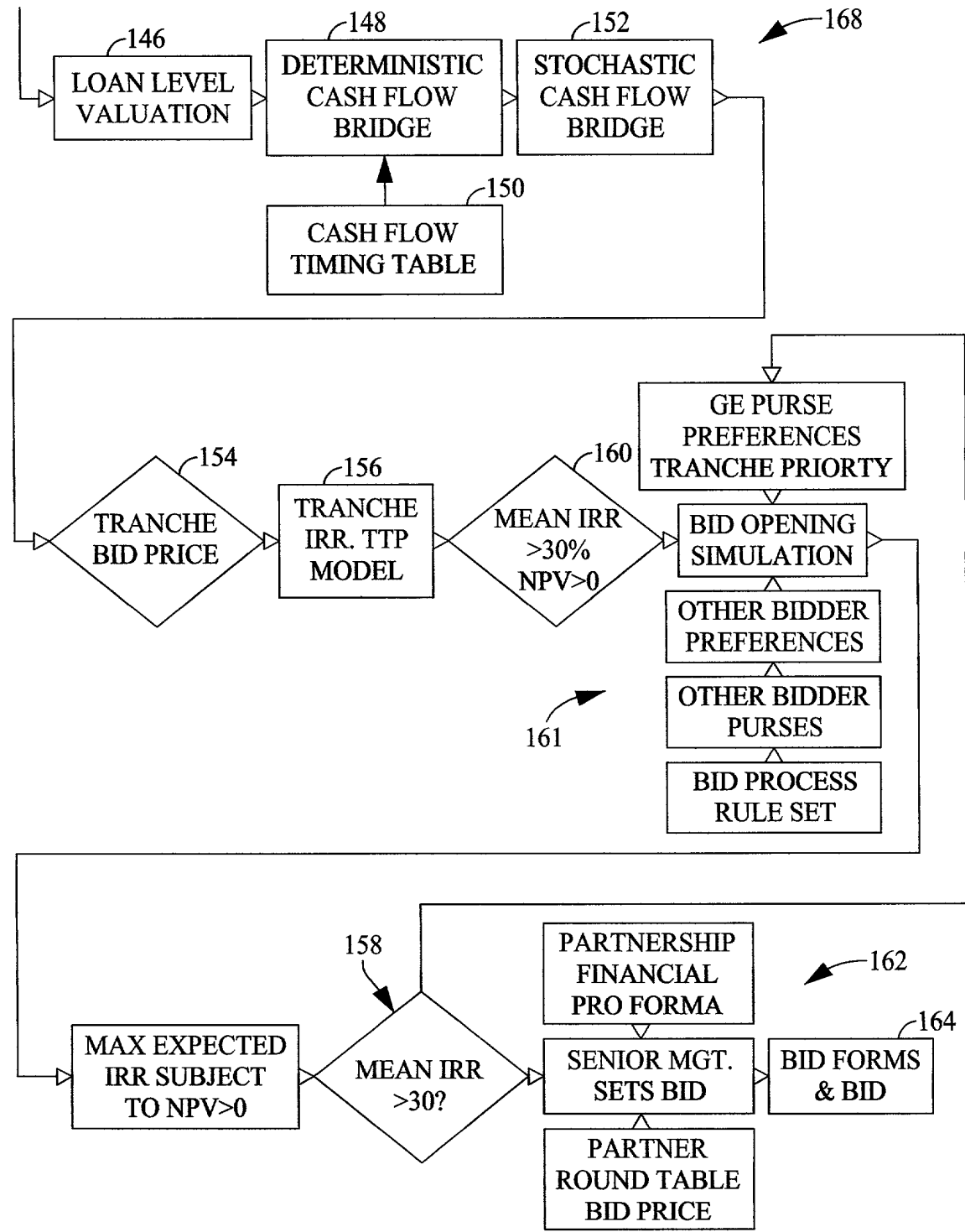


FIG. 4

4/11

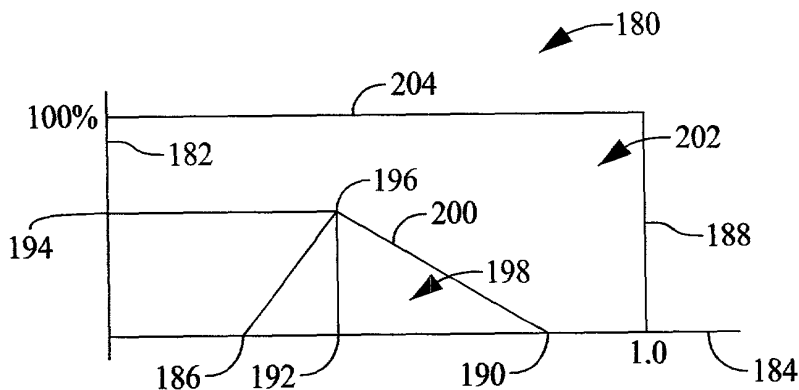


FIG. 5

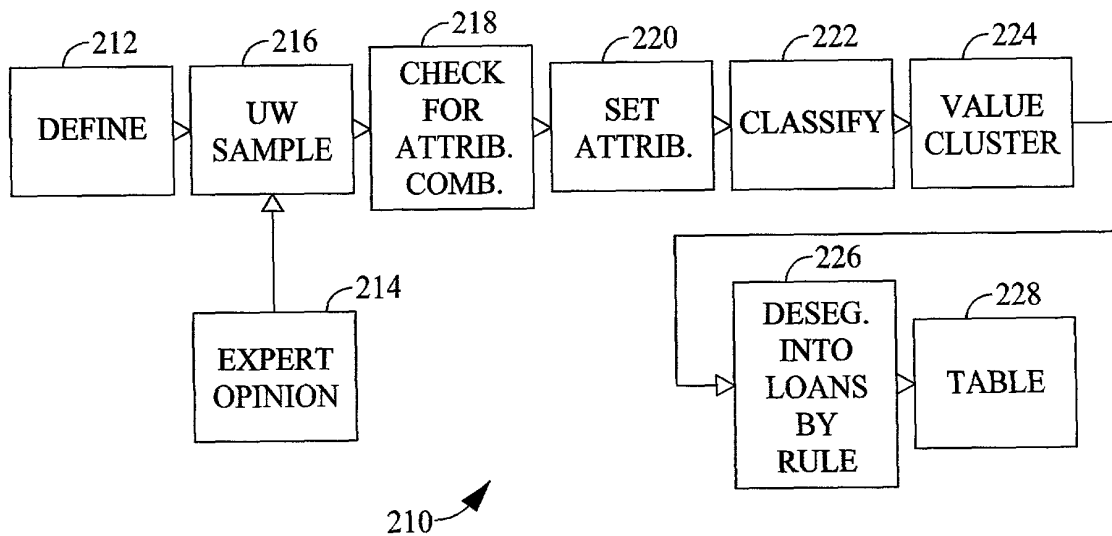


FIG. 6

09681298-022402

5/11

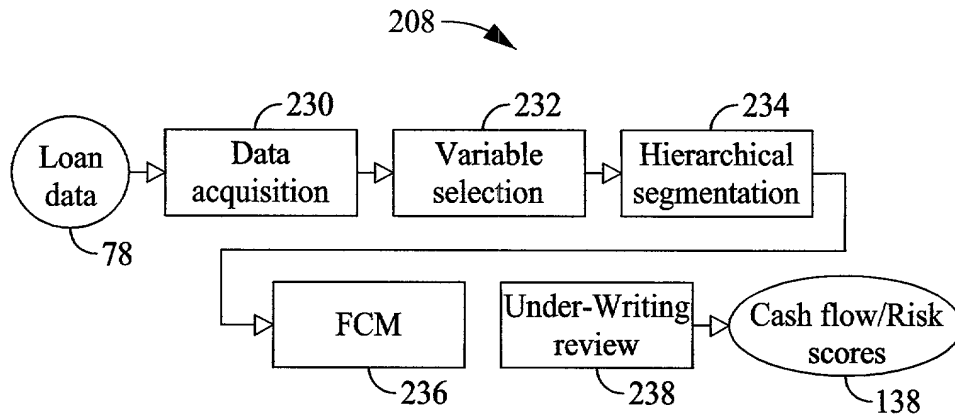


FIG. 7

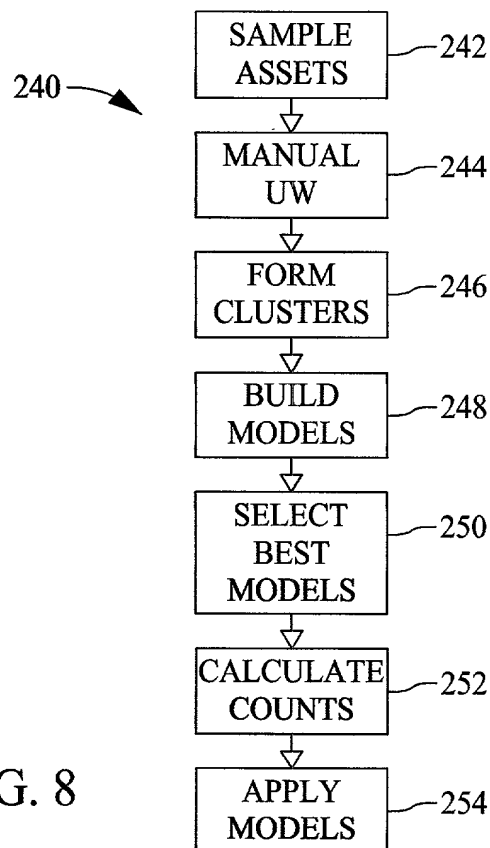


FIG. 8

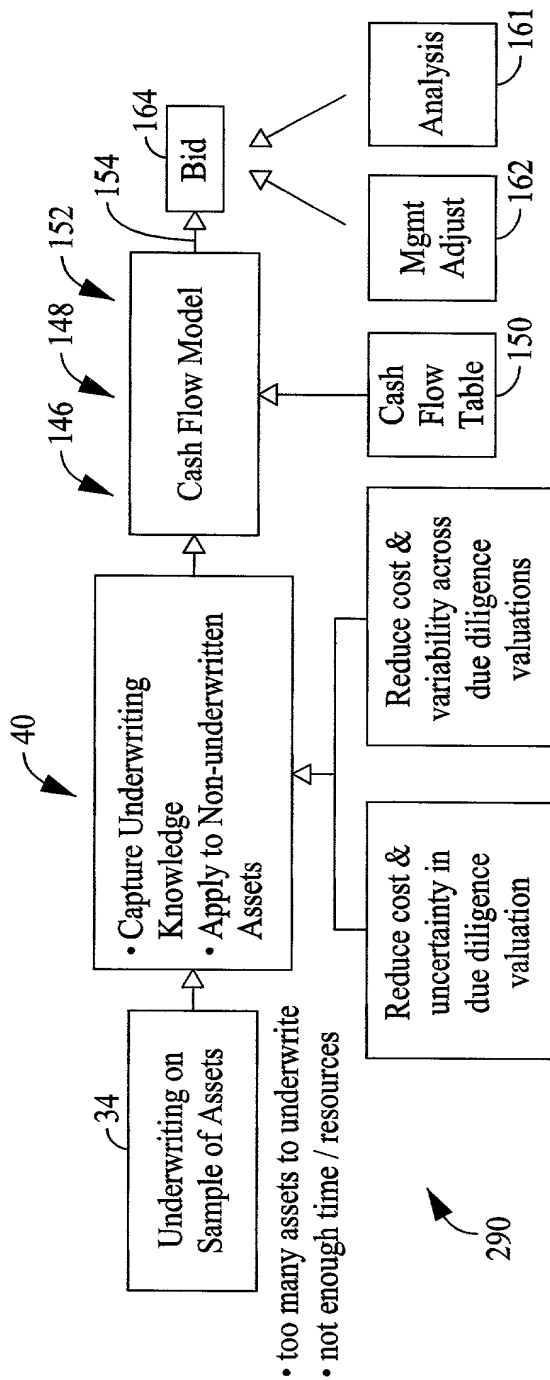


FIG. 9

7/11

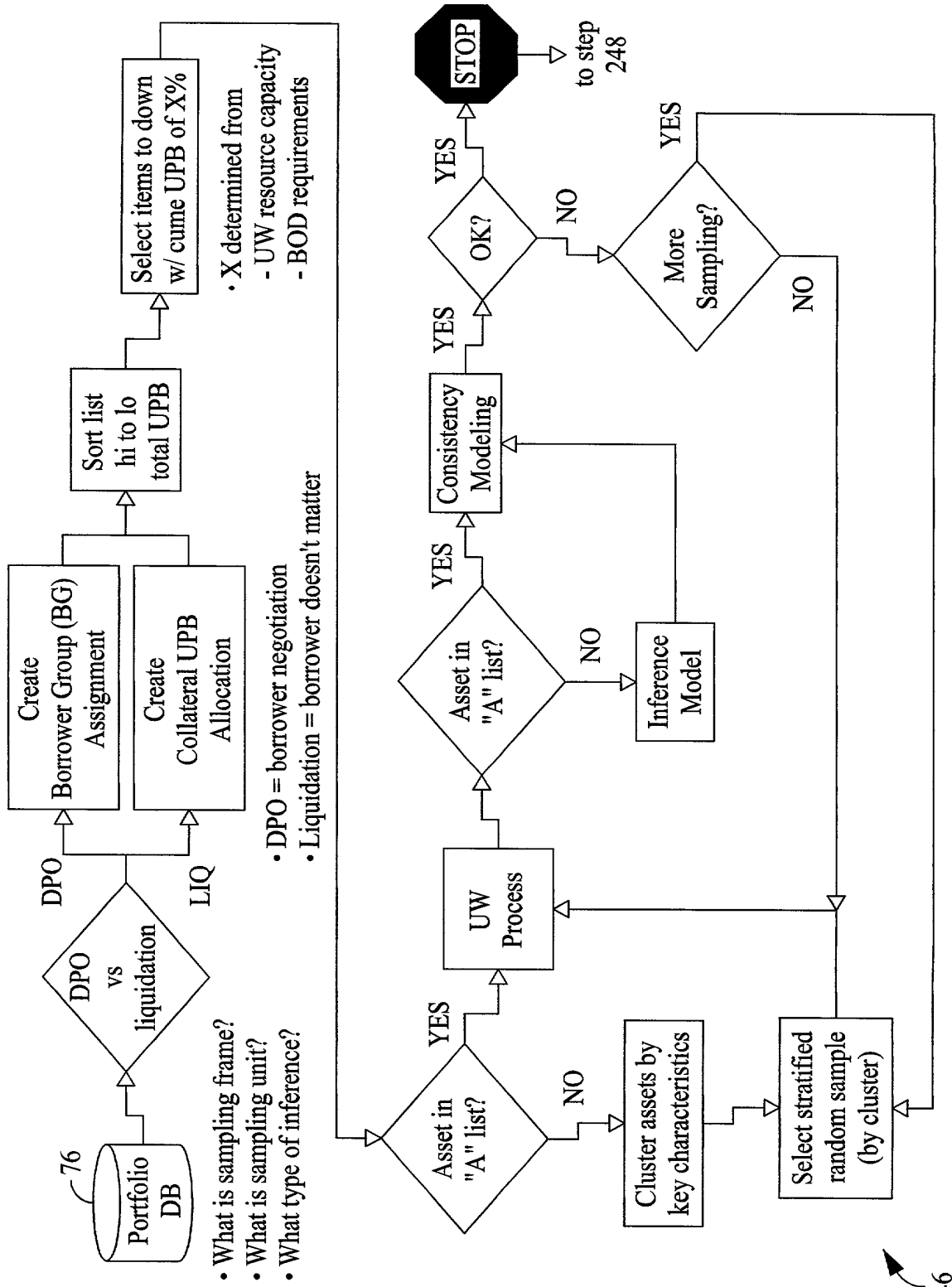


FIG. 10

246

2012-03-23 13:50

8/11

250

6 Models Built:

- models differ by which variables used
- UW assets get the minimum error prediction (actual - predicted)

Variables Used

Land Area
 Bldg Area
 Old Appraisal
 GEN1 Predicted Current Appraisal
 GEN1 Predicted Realized Price
 Property Type
 Location
 -BY-
 Com/Res
 Group (cluster)

BUILD MODELS 248

Model 1 Model 2 Model 3 Model 4 Model 5 Model 6

X		X	X	X	
X		X	X	X	
					X
X	X	X	X	X	
X	X	X	X	X	
X	X	X			
X	X		X		
X	X	X	X	X	X
X	X	X	X	X	X

Model "Weights":

- each cell is count of times the model produced best prediction for UW assets
- determines weights for averaging predictions for non-UW assets

256	Model Court Auction	Asset Class	Group	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Sum
		Commercial	1	13	13	13	8	8	32	87
			2	29	25	29	24	22	19	148
		Total								235
Court Auction		Residential	1	5	5	10	15	4	12	51
			2	4	7	9	3	13	23	59
			3	2	15	11	4	13	8	53
		Total								163
Market Value		Commercial	1	16	13	11	10	15	21	86
			2	29	22	29	27	24	19	150
		Total								236
Market Value		Residential	1	5	8	4	9	11	14	51
			2	8	8	10	0	15	18	59
			3	6	16	5	5	20	2	54
258		Total								164

258

252

FIG. 11

Variable	Category/Value Range	Encoding Scheme
Loan secured	(Yes, No)	Yes = 1 else 0
Loan type	(Revolving, Non-revolving)	Revolving = 1 else 0
Last payment	(0, 250 MM)	0 if last payment = 0 else 1
Notice of default sent		Prior to Jun 97 equals 1 else 0
Original maturity date		Prior to Jun 97 equals 1 else 0
Syndicated Loan	(Yes, No)	Yes = 1 else 0
Loan guaranteed	(Yes, No, NAV)	Yes = 1 else 0
Collection score	(0, 1)	
Lien position	(-1, 0, 1)	1 if Lien position = 1 else 0
Current unpaid balance/Original balance	(0, 2.9)	Normalized to (0, 1)
Last payment to Interest/Last payment	(0, 1)	

80 138

FIG. 12

10/11

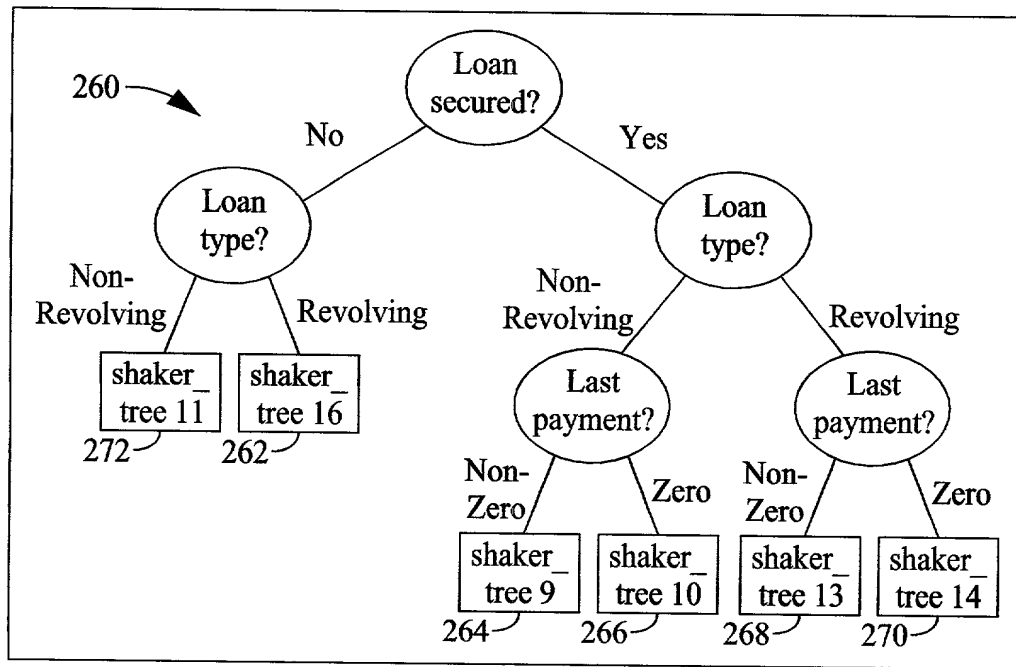


FIG. 13

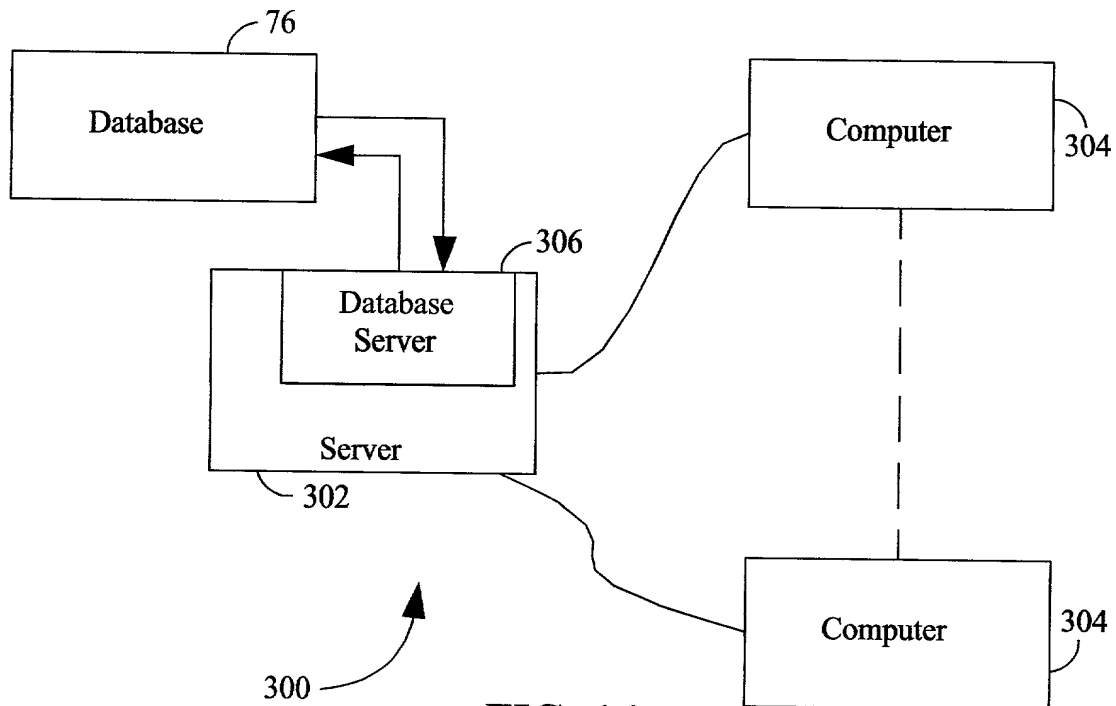


FIG. 14

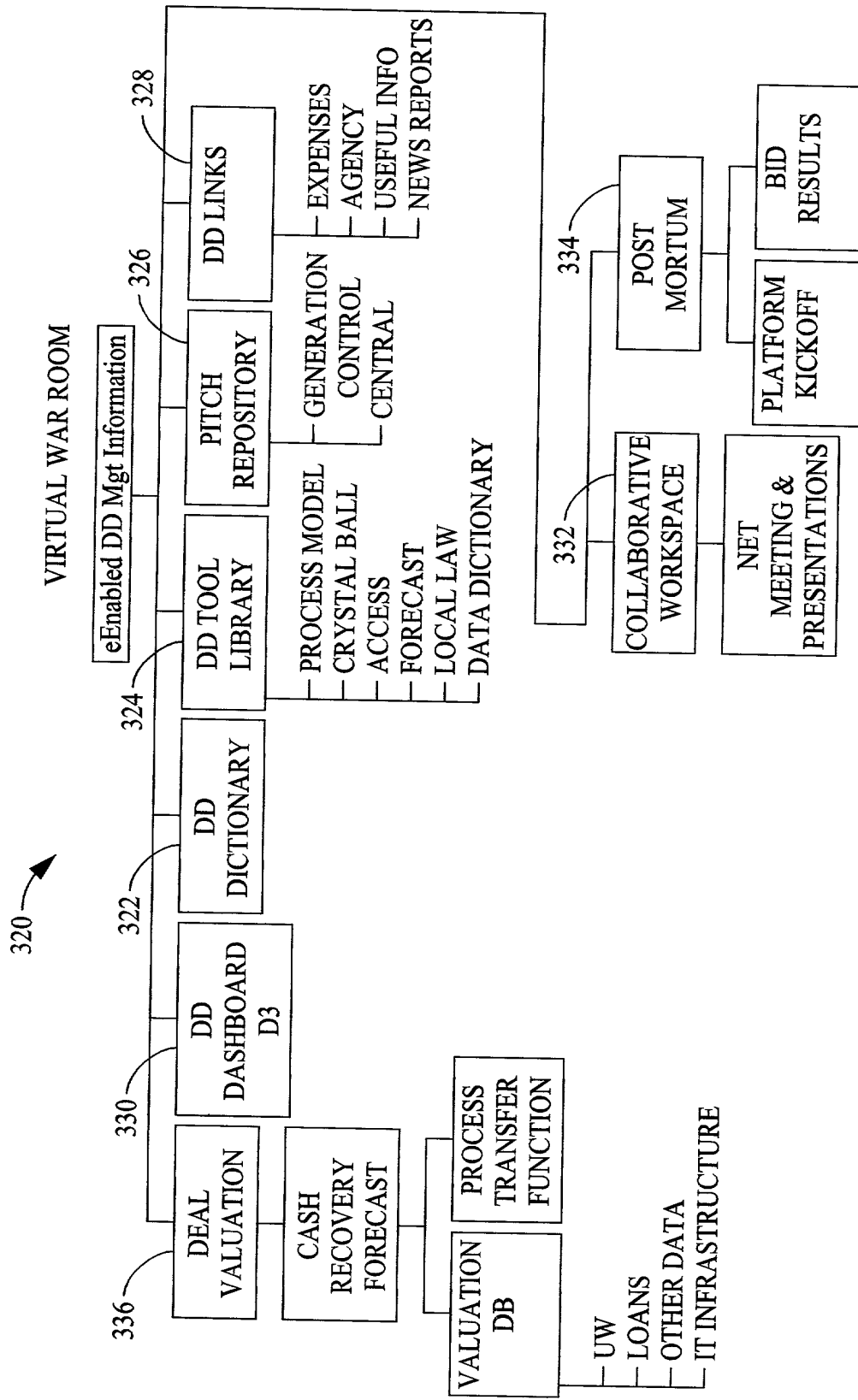


FIG. 15